# 2026-27 MANAGEMENT AND FACILITIES AGREEMENT

THIS AGREEMENT is by and between Lake Santee Regional Waste & Water District (here in after the "District") and Lake Santee Property Owners Association (LSPOA), (here in after the "Association");

WHEREAS, the District does not retain any employees, workers or office space for the operation and maintenance of the District's water and sewer treatment facilities, water distribution system and sewer collection system, and therefore, requires labor or services and a business office.

NOW, THEREFORE, the Board of Directors of the Association agrees to allow the employees of the Association to perform daily operational and administrative functions for the District. The Association further agrees to provide office space, supplies and equipment to the District under the following terms and conditions:

Under this agreement the Association shall provide to the District the use of telephones, office space, commonly used office supplies and the use of office machines and equipment. The District shall separately purchase supplies, postage and other commodities specific to the District.

The Lake Manager / Utility Administrator and other Association staff shall perform daily administration and maintenance in accordance with current and future regulations and/or requirements of the Indiana Department of Environmental Management (IDEM), as well as operating procedures adopted by the District. It is understood that the Lake Manager / Utility Administrator and the Utility Superintendent shall be responsible to the District's Board of Trustees for direction and supervision with regard to daily operational and administrative functions specific to the District.

The Lake Manager / Utility Administrator, Utility Superintendent shall manage the District and its facilities based upon the annual budget and fee schedule adopted by the District. The Utility Superintendent shall have authority to incur and authorize expenditures for emergency repairs to the District's facilities in amounts not to exceed twenty-five thousand dollars ($25,000.00). However, the Utility Superintendent shall inform the District and the Lake Manager / Utility Administrator within forty-eight (48) hours of such emergency repairs. The District and its Board shall receive from the Utility Superintendent monthly and annual reports detailing the operational and maintenance issues relating to the water and sewer plants as-well-as the sewer collection system and drinking water distribution system.

The Lake Manager / Utility Administrator and designated Association staff shall assist the District's Treasurer in the collection of District funds for immediate deposit in the District's accounts. All of the District's reserve depreciation debt payment and surplus funds shall be transferred to the District not less than monthly. The District and its Board shall receive from the Lake Manager / Utility Administrator monthly and annual reports detailing the District's financials. The District, upon request, shall at all times be entitled to immediate inspection of all records, books, reports, computer records and the like maintained by the Association and its employees, concerning the financial and/or operating information of the District.

The Utility Superintendent shall also be responsible for all reporting as required by the State of Indiana for both the Water and Sewer operations. The Utility Superintendent shall be responsible for obtaining and maintaining all necessary licenses, certifications and accreditation as directed by the District and as may be necessary to operate, maintain or manage the water and sewer operations. The District shall bear ultimate responsibility for the operation of the District in accordance with laws and regulations set forth by any and all applicable federal, state or local agencies. The District agrees it will hold the Association and the Lake Santee Property Owners Board of Directors harmless with regard to any charges of liability or charges by government agencies of non-compliance with applicable laws or codes.

The District shall carry appropriate insurance; not less than two million dollars ($2,000,000.00) for general liability and shall name the Association as an additional named insured. Liability for office space rented shall remain with the Association, which shall likewise carry appropriate insurance and name the District

as an additional named insured.

It is understood that the District's Board of Trustees has the right to provide input to the Association's Board of Directors regarding the Association's employees (including but not limited to the Lake Manager / Utility Administrator and the Utility Superintendent) providing services to the District. It is further understood that the District's Board of Trustees may, with approval of the Association, offer specific incentives to employees of the Association, involving compensation, benefits or other employee programs to be paid by the Association subject to repayment to the Association by the District.

Compensation from the District shall be a fixed cost fee that is due the Association regardless of the actual expenditures with the exception that if a special project or situation shall arise, the District and Association shall agree on a fixed cost supplement to be added to this fee schedule. The actual dollar amount of the supplement is to be determined after the work has been done. After Board review the Association or the District shall be compensated based on the supplemental cost. At the end of each year, the fee schedule shall be reviewed and revised accordingly for the following year.

For the sewer operations the District hereby agrees to compensate the Association an annual management fee of one hundred eighty-one thousand seven hundred fifty-eight dollars ($181,758); payable in rounded monthly installments of fifteen thousand one hundred forty-six ($15,146) per month, payable by the 25th of each month of this agreement. The management fee for sewer operation is broken down as set forth on the attached Exhibit A.

For the water operations the District hereby agrees to compensate the Association an annual management fee of two hundred thirty-five thousand four hundred ninety-one dollars ($235,491); payable in rounded monthly installments of nineteen thousand six hundred twenty-four dollars ($19,624) per month, payable by the 25th of each month of this agreement. The management fee for water operation is broken down as set forth on the attached Exhibit B.

The District agrees to pay the Association for a portion of its capital costs incurred in the joint purchase of any capital items for joint use by the Association and the District. Neither the District nor the Association shall be responsible for capital costs incurred without the prior approval and authorization of the other party. Calculation of the amount to be paid by the District to the Association shall be based on the estimated usage by each party.

The Association acknowledges that the District may apply for federal or state grants and/or loans applicable to regional waste & water districts and, in connection therewith, the Association agrees to cooperate with the District to the fullest extent possible in the application process and so that the District will be in compliance with all terms, conditions and requirements of said grants and/or loans.

The parties agree that in the event any provision of this Agreement is declared unacceptable by any agency or court exercising its appropriate authority, the remainder of the Agreement shall remain in full force and effect, and the failing provision(s) shall be amended in writing by good faith negotiations between the parties to cure any such defect. The parties hereby agree that if either party believes the effect of this Agreement in any way is inequitable or unfair, such party may by ninety (90) days written notice, request renegotiation of any part of this agreement and the other party will in good faith participate in such negotiations. During this period of renegotiation, the District shall continue to meet its financial obligations to the Association in accordance with the provisions of this Agreement.

Either party may terminate this Agreement with ninety (90) days advance written notice. The Association shall give the District ninety (90) days advance written notice of any proposed increase in the costs described in this Agreement or the attached exhibits to afford the District an opportunity to review and either accept or dispute such proposed increase. It is expressly understood and agreed that the Association shall have the right to proceed with such increase even if disputed by the District, and that the District shall be required to continue its payment obligations to the Association, including the charges arising out of the disputed increase, until such dispute is resolved. In the event that such dispute is ultimately resolved in the District's favor, then the disputed payments previously made to Association shall be refunded within fifteen

(15) days to the District by the Association, together with interest.

This Agreement is effective for a term of twelve (12) months beginning March 1, 2026 and ending February 28, 2027. A new agreement will be executed for the next twelve (12) months after review of the actual costs associated with the 2026-2027 Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate on the dates indicated.

LAKE SANTEE REGIONAL

WASTE & WATER DISTRICT

President

Vice-President

Secretary

Treasurer

Dated: 12/18/2026

LAKE SANTEE PROPERTY

OWNERS ASSOCIATION, INC.

President

Vice-President

Secretary/Treasurer

Dated: 1/14/2026

**Exhibit A**
**Wastewater Operations**

**Sewer- Labor & Wages & Benefits**

| | | Sewer 2026-27 | | | Sewer 2025-26 |
|---|---|---|---|---|---|
| 1 | **Compensation** | | | | |
| 1a | Salary/Wages | | | | |
| 1b | Overtime | | | | |
| 1c | Holiday Pay | | | | |
| 1d | Vacation | | | | |
| 1e | Sick/Personal | $120,167.06 | $6,194.06 | $ | 113,973.00 |
| 1f | Education | $ - | | $ | - |
| 1g | Differential | $0.00 | $ (2,627.00) | $ | 2,627.00 |
| 1h | License | $0.00 | - | $ | - |
| 1i | Bonus | $ - | | $ | - |
| 1j | Retirement | $ - | | $ | - |
| 1k | On call | $ 8,981.33 | - | $ | 8,981.33 |
| 1l | **Sub Total Compensation** | **$ 129,148.39** | **$3,567.39** | **$** | **125,581.00** |
| | | | | | |
| 2 | **Non-Compensation** | | | | |
| 2a | Simple IRA | $ 869.52 | $ 34.52 | $ | 835.00 |
| 2b | Uniforms / Clothing Allowance | $ 750.00 | $ 150.00 | $ | 600.00 |
| 2c | Mileage | $ - | | $ | - |
| 2d | Health Insurance | $ 18,753.04 | $ 9,423.04 | $ | 9,330.00 |
| 2e | Workmen's Comp Ins. | $ 1,860.93 | $ (308.07) | $ | 2,169.00 |
| 2f | Unemployment St. Fed. | $ 2,686.13 | $ 102.13 | $ | 2,584.00 |
| 2g | Medicare | $ 1,684.64 | $ 64.64 | $ | 1,620.00 |
| 2h | Social Security | $ 7,203.28 | $ 275.28 | $ | 6,928.00 |
| 2i | **Sub Total Non-Compensation** | **$ 33,807.54** | **$ 9,740.54** | **$** | **24,067.00** |
| | | | | | |
| 3 | **Other Expenses (Non-Reconciled)** | | | | |
| 3a | Office Supplies - Commonly used S | $ 470.23 | | $ | 1,077.12 |
| 3b | Office Space | $ 4,062.00 | | $ | 4,140.23 |
| 3c | Payroll Processing | $ 393.00 | | $ | 617.50 |
| 3d | Office Equipment - Copier, compute | $ 1,331.57 | | $ | 1,360.00 |
| 3e | Phone Service - Three lines for inco | $ - | | $ | 563.54 |
| 3f | Maintenance Building Offset | $ 2,403.50 | | $ | 500.00 |
| 3g | Vehicles - Two pickups | $ 1,370.00 | | $ | 2,306.42 |
| 3h | Hand & Power Tools | $ 600.00 | | $ | 500.00 |
| 3i | Mowing Equipment - for mowing at p | $ 616.40 | | $ | 177.17 |
| 3j | Backhoe Usage by the Association | $ (1,325.69) | | $ | (1,325.69) |
| 3k | Cell Phones | $ 210.00 | | $ | 246.00 |
| 3l | Water Treatment | 0 | | | |
| 3m | Fuel & Oil | 4435.81 | | | |
| 3n | Mowing Labor | 4235 | | | |
| | **Sub Total** | **$ 18,801.82** | $ 8,639.53 | **$** | **10,162.29** |
| | | | | | |
| 4 | **Grand Total** | **$ 181,758** | **$ 21,947.75** | **$** | **159,810.00** |
| | | $ 15,146 | | $ | 10,065 |

**Exhibit B**
**Water Operations**

**Water- Labor & Wages & Benefits**

| | | Water 2026-27 | | | Water 2025-26 |
|---|---|---|---|---|---|
| 1 | **Compensation** | | | | |
| 1a | Salary/Wages | | | | |
| 1b | Overtime | | | | |
| 1c | Holiday Pay | | | | |
| 1d | Vacation | | | | |
| 1e | Sick/Personal | $165,209.66 | $61,111.66 | $ | 104,098.00 |
| 1f | Education | $ - | | $ | - |
| 1g | Differential | $ - | ($2,618.70) | | $2,618.70 |
| 1h | License | $ - | $ - | $ | - |
| 1i | Bonus | $ - | $ - | $ | - |
| 1j | Retirement | $ - | $ - | $ | - |
| 1k | On call | $ 6,440.63 | $ - | $ | 6,440.63 |
| 1l | **Sub Total Compensation** | **$ 171,650.29** | **$ 58,493.29** | **$** | **113,157.00** |
| | | | | $ | - |
| 2 | **Non-Compensation** | | | | |
| 2a | Simple IRA | $2,526.55 | $1,732.53 | $ | 794.02 |
| 2b | Uniforms / Clothing Allowance | $ 750.00 | $ 150.00 | $ | 600.00 |
| 2c | Mileage | $ - | $ - | $ | - |
| 2d | Health Insurance | $ 13,959.80 | $ 5,186.80 | $ | 8,773.00 |
| 2e | Workmen's Comp Ins. | $ 2,618.36 | $ 436.36 | $ | 2,182.00 |
| 2f | Unemployment St. Fed. | $3,755.98 | $ 1,372.98 | $ | 2,383.00 |
| 2g | Medicare | $2,355.61 | $ 860.61 | $ | 1,495.00 |
| 2h | Social Security | $10,072.25 | $ 3,681.25 | $ | 6,391.00 |
| 2i | **Sub Total Non-Compensation** | **$ 36,038.55** | $ 13,420.55 | **$** | **22,618.00** |
| 3 | **Other Expenses (Non-Reconciled)** | | | | |
| 3a | Office Supplies - Commonly used S | $ 470.21 | | $ | 1,077.12 |
| 3b | Office Space | $ 4,062.00 | | $ | 4,140.23 |
| 3c | Payroll Processing | $ 393.00 | | $ | 617.50 |
| 3d | Office Equipment - Copier, compute | $ 1,331.57 | | $ | 1,360.00 |
| 3e | Phone Service - Three lines for inco | $ - | | $ | 563.54 |
| 3f | Maintenance Building Offset | $ 2,403.50 | | $ | 500.00 |
| 3g | Vehicles - Two pickups | $ 1,370.00 | | $ | 2,306.42 |
| 3h | Hand & Power Tools | $ 600.00 | | $ | 500.00 |
| 3i | Mowing Equipment - for mowing at p | $ 616.40 | | $ | 177.17 |
| 3j | Backhoe Usage by the Association | $ (1,325.69) | | $ | (1,325.69) |
| 3k | Cell Phones | $ 210.00 | | $ | 420.00 |
| 3l | Water Treatment - Aquatic Control | 9,000 | | $ | 9,000.00 |
| 3m | Fuel & Oil | 4435.81 | | | |
| 3n | Mowing Labor | 4235 | | | |
| | **Sub Total** | **$ 27,801.80** | | **$** | **19,336.29** |
| 4 | **Grand Total** | **$ 235,491** | $ 80,378.65 | **$** | **155,112.00** |
| | | $ 19,624 | | $ | 8,988 |

| | | | |
|---|---|---|---|
| **Water + Sewer** | **$ 417,248.40** | | **$ 314,922.00** |
| | $ 102,326.40 | $ increase from 2025/26 to 2026/27 | |
| | 24.52% | | |